

**Conference Title: BROA001\_053123n - Walmart, Inc. Annual Meeting**

**Date: May 31st, 2023**

Operator: Hello and welcome to the annual shareholder's meeting of Walmart. Please note that this meeting is being recorded. A general Q&A session will be conducted following the adjournment of the formal meeting. You may submit a question at any time by clicking on the submit question button on your screen. Walmart would like to remind you that some of the comments today may contain forward-looking statements. Additional information about this is included among the meeting materials available on your screen. It is now my pleasure to turn the meeting over to Greg Penner, chairman of the board of directors of Walmart. Mr. Penner, I turn the meeting over to you.

Greg Penner: Thank you and good morning, everyone. It's my honor as chair of the Walmart board of directors to welcome you to our 53rd annual shareholders meeting. We appreciate you joining us today. We've had a strong year and we're encouraged by the response from customers and members around the world. We know they're feeling the pressure from inflation and we're working hard to help them stretch their dollar further. We're set up to deliver for any customer or member in our stores, clubs, and online, whether they've shopped with us for years or they're trying us for the first time. We're in a unique position in our history. We're leveraging today's advancements and innovations and growing fast, but with all the wisdom that comes with age. I'm confident that we have the right associates, the right leaders, and the right strategy to sustain this momentum.

All the nominees standing for election to our board of directors have joined our virtual meeting. Also joining online are representatives from Ernst & Young, Walmart's independent accountants. The inspectors of election today are from Broadridge Financial Solutions. Based on their report, majority of the shareholders entitled to participate in the meeting are represented online. We have a quorum and may proceed with the business portion of the meeting. Therefore, our meeting is officially called to order.

It is now 10:32 AM. The polls are open and will close after the presentation of the last shareholder proposal. Only shareholders who held shares as of the record date for this meeting are entitled to vote shares. If you have already voted your shares, there is no need to vote again unless you wish to change your vote. If you would like to vote your shares or change your vote, you may do so while the polls are open by following the instructions on your screen.

Now I would like to acknowledge the director nominees, including myself, who are up for reelection this year. They are Cesar Conde, Tim Flynn, Sarah Friar, Carla Harris, Tom Horton,

Marissa Mayer, Doug McMillon, Randall Stephenson, Rob Walton, and Steuart Walton. Thank you all for your willingness to continue to serve our company. Next, I've asked Walmart president and CEO, Doug McMillon, to share an update on the company's priorities. Then Rachel Brand, our corporate secretary, will take us through the formal business of the meeting. Doug?

Doug McMillon: Thank you, Greg. Good morning, everyone. Thanks for your interest in our company. As we look back at last year and the past few years, we've driven strong performance and made a lot of progress delivering our strategy at the same time. We have a strong team of associates, very capable leaders, and a compelling set of assets and capabilities that enable us to continue delivering for customers and members whenever and however they want to be served in that moment.

While we've had a lot of change to make that possible, we've stayed true to our purpose and values. Here's how we describe today's Walmart. We're a people-led, tech-powered omnichannel retailer dedicated to helping people save money and live better. We know who we are. We like who we are and we like who we're becoming. For fiscal 2023, we added \$38 billion in revenue, and we crossed \$600 billion for the first time in our company's history. We drove strong results in the first quarter and were well positioned for the rest of the year.

Our price position is strong. Our assortment is growing and we're improving the experience for our customers and members. Globally, eCommerce represented more than \$80 billion in sales last year. During the first quarter of this year, around 15% of our total sales began in a digital fashion. Customers and members have the flexibility to shop however they want and choose from hundreds of millions of items. In the United States, we're almost as known today for our convenience as we are our low prices.

More than ever, we're powered by technology. Our customers and members engage us through our apps and sites, and our associates have information and capabilities at their fingertips. We're able to create a true omnichannel experience unlike any other retailer with over 10,500 stores Sam's Clubs and scaled eCommerce businesses around the world. Our business model is also being shaped by the work we're doing to scale newer mutually reinforcing businesses like marketplace, fulfillment services, and advertising. Our ability to serve people how they want to be served has driven a compounded annual sales growth rate of 6% over the last five years, excluding divestitures.

Today's Walmart is a team of 2.1 million associates who are united by our purpose, values, and culture. We are a place of opportunity where associates' voices are heard, and associate

feedback has been foundational to our company's success. We work to create a path of opportunity for everyone who wants a career at Walmart, more than just a job. Our goal is to keep and develop people. We continue to support and invest in our associates through their wages, benefits including healthcare and in ways to invest and save for retirement, and by making it easier to gain a college degree or certificate through our Live Better U program where our company pays for tuition and books.

We know that our long-term success will depend on how we create advancement and growth opportunities for our associates. In the US, we are recently certified as a great place to work by the industry leader in workplace excellence. Our work extends into the communities we serve. By creating more opportunities for the people who live there, we'll end up with a stronger business. We're also making progress to strengthen our planet. Project Gigaton is one example and we're now three quarters of the way toward our goal to reduce or avoid one billion metric tons of greenhouse gases by 2030.

The long-term strength of our business and how we deliver for shareholders will depend on how we serve customers, associates, suppliers, communities, and the planet. It requires healthy relationships, trust and leadership. Thank you again for your interest in our company. Now I'll turn it over to Rachel Brand, our corporate secretary. She'll take us through the presentation of the proposals.

Rachel Brand: Thank you, Doug. As we have done in previous shareholder meetings, we will begin with formal business and move on to a Q&A session after the meeting adjourns. The rules of conduct for the meeting are available on the virtual meeting site. Under those rules, each person presenting a shareholder proposal will have three minutes to speak. 13 items will be presented for a vote today. The first four items are the company proposals. They appear in the proxy statement as proposals one through four.

The first is the election of 11 directors. Information about each director nominee can be found in the proxy statement. The second proposal is a non-binding advisory vote on the frequency of future say-on-pay votes. The vote on this proposal is advisory, but the board will consider the results in evaluating how often future say-on-pay votes should occur. The third proposal is a non-binding advisory vote to approve the compensation of Walmart's named executive officers. The vote on this proposal is advisory, but the board will consider the results in evaluating our executive compensation program.

The fourth proposal is to ratify the appointment of Ernst & Young as the company's independent accountants for the fiscal year ending January 31st, 2024. Now we'll move on to the shareholder proposals. The company's response to each one can be found in the proxy statement. The first shareholder proposal appeared as number five in the proxy statement. It was submitted by the Franciscan Sisters of Perpetual Adoration and various co-filers. Christopher Cox pre-recorded his presentation, which we will now play.

Christopher Cox: Thank you, Ms. Brand, and good morning, Mr. McMillon, members of the board and fellow shareholders. My name is Christopher Cox and on behalf of the Franciscan Sisters of Perpetual Adoration who are members of the Interfaith Center on Corporate Responsibility, along with our co-founders, I present shareholder proposal number five, which asks our board for the adoption of a policy that recommends the Compensation and Management Development Committee of the board of directors to take into consideration of pay grades and/or salary ranges of all classifications of Walmart employees when setting target amounts for chief executive officer compensation.

Walmart is the largest private sector employer with 2.3 million employees, and we see gaps in our company's practices and policies. What are those gaps? Our company's Compensation and Management Development Committee does not sufficiently consider the company's overall compensation philosophy for all employees as part of the CEO compensation process. For instance, in our company, our company relies on peer group benchmarking to set target CEO pay amounts, which can lead to employee inflation. And then that leads us to a situation where how, where we asked the question, how do we compare to other peers? Walmart's 2021 pay ratio was 1,013 to one versus the consumer staple sector average pay ratio of 206 to one.

And what are the financial implications and impact of this issue on shareholder value? Well, high CEO to worker pay ratios can erode employee morale and productivity and lead to increased turnover. Considering how other employees are paid at the company will encourage the committee to consider what quantum of CEO pay is appropriate for the company's own needs. The company's opposition statement in the proxy places in bold print that quote, Walmart has made significant investments in its frontline hourly associates and frontline hourly associate compensation has risen far faster than CEO compensation over the same period.

While that is right and that is due, we believe that evaluating pay grades for all employees when determining CEO compensation would help demonstrate Walmart's commitment to supporting its associates and help mitigate risks associated with growing CEO worker pay gaps. We therefore urge shareholders to vote for proposal number five.

Rachel Brand: Thank you, Mr. Cox. The board recommends a vote against this proposal for the reasons explained in the proxy statement. The next proposal appeared as number six in the proxy statement. It was submitted by Oxfam America Incorporated and various co-filers. Gina Cummings prerecorded her presentation, which we will now play.

Gina Cummings: Good morning. My name is Gina Cummings, vice president at Oxfam America. I'm here to present ballot proposal number six on behalf of Oxfam America and co-filers. Our proposal calls on Walmart to report on their human rights' due diligence, or HRDD, to identify, assess, prevent, and mitigate human rights risk in both the company's supply chain and own operations. In my 16 years with the organization, this is the first time I presented a shareholder resolution, but on the heels of the US child migrant labor scandal that came to light earlier this year, in which the New York Times reported that migrant child laborers were working for Walmart suppliers here in the US, the issue has become so critical that I felt compelled to get involved.

Be assured, we don't take this matter lightly. This is the first resolution we filed with Walmart in the five years that we've been actively engaging with the company. It is because the company has failed to adopt policies and practices that demonstrate sufficiently robust and effective HRDD in line with investor expectations that we felt compelled to file. After all, workers' rights are human rights.

Media reports threaten to jeopardize Walmart's reputation and are likely to generate negative public perception around poor working conditions for workers in both the company's global supply chains and own workforce. Human rights violations, including forced labor, inhumane conditions and low pay, continue to plague sectors like the seafood industry, which Walmart sources from in huge numbers.

Here in the US, the company has also been accused of retaliation against employees for taking sick time during the COVID-19 pandemic and failing to accommodate pregnant employees, among other things. To mitigate these risks and protect medium and long-term shareholder value, conscientious companies conduct HRDD in line with the UN guiding principles on business and human rights. HRDD is a low cost means of detecting emerging human rights risk and providing redress for harms, which in turn allows a company to protect itself against expensive fines and burn its reputation.

Yet even Walmart's most recent human rights disclosures published just last month in April 2023, still failed to make sufficient concrete commitments in line with the company's recognized HRDD responsibilities. Walmart continues to overly rely on social compliance audits, which are

notoriously flawed and fail to identify human rights risk in place of HRDD tools. Ultimately, unless -until Walmart is able to disclose the results of its HRDD process and the concrete steps it is taking to mitigate the human rights concerns the company has identified within its operations and supply chains, there will remain significant potential risk to investors. We urge investors to support proposal six. Thank you for your time.

Rachel Brand: Thank you, Ms. Cummings. The board recommends the vote against this proposal for the reasons explained in the proxy statement. The next proposal appeared as number seven in the proxy statement. It was submitted by Organization United for Respect and various co-filers. TaNeka Hightower prerecorded her presentation, which we will now play.

TaNeka Hightower: My name is TaNeka Hightower and I've worked at Walmart for over five years with several different job titles. In that time with my experiences, I've learned a lot about Walmart, which has led me to advocate for this proposal on behalf of the thousands of other Walmart associates of color. The resolved clause of this proposal reads as follows: resolved, shareholders request Walmart Incorporation conduct a third party independent racial equity audit, analyzing Walmart's adverse impact on black, indigenous and people of color communities, and to provide recommendations for improving the company's racial equity impact.

This year, Walmart received an F rating on the 2023 racial and gender pay scorecard from Arjuna Capital and Proxy Impact, which implicates there are profound inequalities among minority demographics at the company. As a Walmart associate, I've seen the disparity firsthand and I am not alone being an African American woman with more than 15 years of retail experience, I find it extremely difficult to advance within Walmart.

Over the course of my five years at this corporation, I see fewer and less people who look like me. For decades, Walmart, run by America's richest family, has been accused of exploiting black workers like me via pay inequality, lack of diversity in management and in the boardroom, and meaningless of virtue signalling. We're fed up and that's why United for Respect has filed a shareholder resolution at Walmart calling for a full racial equity audit. Walmart doesn't disclose hourly pay gaps by race, and we are asking them to do so.

Racial equity audits are quickly becoming an industry standard as multinational companies such as Facebook, Apple, Airbnb, and Starbucks have agreed to analyze their impact on their workers of color. Walmart should do the same. Presently, people of color comprised 49% of Walmart's total US workforce, but only 27% of its officers and only 18% of its board of directors. We make up on majority of Walmart's workforce. It is time for Walmart's leadership to identify, prioritize,

remedy, and reverse the corporation's negative impacts on people and communities of color, and that's why I am urging you to vote for proposal seven. Thank you.

Rachel Brand: Thank you, Ms. Hightower. The board recommends the vote against this proposal for the reasons explained in the proxy statement. The next proposal appeared as number eight in the proxy statement. It was submitted by the National Center for Public Policy Research. Scott Shepard prerecorded his presentation, which we will now play.

Scott Shepard: The company's opposition to our proposal points to a lot of paper barriers against discrimination, but it does not deny the fact as established in our proposal, that it provides relevant managers and executives a dashboard breaking down the race, ethnicity, and sex of the employees under their charge, and then encourages them to increase the number of favored diverse groups who get hired and promoted necessarily at the expense of those groups that the company does not honor with the label diverse.

Companies that follow this exact path have a third prong to their covert discrimination program. They pay the relevant executives and managers more if they hit race, ethnicity, and sex-based employment targets. Does Walmart do that too? The company must come clean. Giving employees with personnel power all the information they need to discriminate on illegal grounds, encouraging them to get their numbers up on those illegal grounds and then paying them more if they somehow hit those goals. How is that not illegal discrimination on the basis of race, ethnicity, and sex?

Of course, it's illegal discrimination on those bases. As Walmart has enthusiastically committed to providing tools and incentives for breaking the law, it now has an affirmative duty to demonstrate that despite those inducements to illegality, it nevertheless is not breaking the law. One way to do that would be to publish the demographic statistics of its layoffs for shareholders and the public to see to reveal whether Walmart's incentives to discriminate are working as intended. The company says in its opposition that the requested report would not enhance transparency, but that's self-evidently false.

The report would provide exactly the information it asked for, information that the company already collects and shares internally with its dashboard, but for some reason, really does not want to share with shareholders and the public. Given the totality of the circumstances, the most reasonable inference to draw from the company's unwillingness to provide this additional information is that these new incentives to discriminate are successfully causing the incentivized illegal discrimination.

After all, again, what are these dashboards for if not to allow relevant employees to manipulate the race, sex, and ethnicity, composition of the employees who report to them? What are the encouragements to reach certain demographic goals meant to do, but to cause the employees to do whatever they need to get to those goals, and if they get paid more to hit the goals, isn't that pretty much case closed? It sure looks like a jerry-rigged system designed to force Walmart employees to discriminate in illegal ways against other Walmart employees and to personally shoulder the legal risk for such discrimination while the C-Suite innocently points to paper protections that this whole system is designed to violate. I wish there were some other interpretation because this one's appalling, but I sure can't think of one. Walmart's discriminatory hiring and promotion scheme must be monitored carefully. Reporting demographic layoff statistics is just a tiny first step. Thank you.

Rachel Brand: Thank you, Mr. Shepard. The board recommends a vote against this proposal for the reasons explained in the proxy statement. The next proposal appeared as number nine in the proxy statement. It was submitted by James McRitchie. Mr. McRitchie prerecorded his presentation, which we will now play.

James McRitchie: Hello, this is James McRitchie. In 2002, I petitioned the SEC for proxy access. It took three rulemakings and a court battle. 20 years later, 81% of S&P 500 companies, including Walmart, have something they call proxy access. Unfortunately, nominating groups must hold 3% for three years and are limited to 20 members. Proxy access can't really be done without one of the big four fund families and they won't vote to increase the group size since they often hold 3% themselves.

They administer retirement savings plans for companies and have never filed a shareholder proposal, let alone challenge directors, so proxy access has gone unused. Now after decades, the SEC has adopted Rule 14a-19, allowing shareholders under specified conditions to split our votes between board nominees and challengers without attending the annual meeting. Will the universal proxy rule go the way of proxy access? After reading bylaws adopted by Mossimo, Bloomberg's Matt Levine speculated that company bylaws might soon demand challengers submit disclosures on paper woven from unicorn manes with requirements waived for the board's nominees.

Most agree there should be some limits on what boards can require without seeking shareholder approval in advance or within a year of adoption. I filed 30 proposals like the one before you now, and negotiated agreements with one third of the companies based on guardrails that preserved the SEC's intent. All shareholder proposals are advisory even if we win overwhelmingly boards of



free to do whatever they please, but higher votes do provide a better negotiating position. Your vote for this proposal could help us reach a similar agreement at Walmart either before the next meeting or after an even higher vote next year based on a revised proposal that reflects agreements reached with other companies to protect the rights of shareholders. Please vote for proposal number nine. Thank you.

Rachel Brand: Thank you, Mr. McRitchie. The board recommends a vote against this proposal for the reasons explained in the proxy statement. The next proposal appeared as number 10 in the proxy statement. It was submitted by Clean Yield Asset Management on behalf of Julie Kalish. Ms. Kalish prerecorded her presentation, which we will now play.

Julie Kalish: Good morning, Mr. Chair, board of directors and fellow shareholders. My name is Julie Kalish, and I am the filer of this proposal. The proposal asks Walmart to issue a report detailing the potential risks and costs to the company of fulfilling law enforcement requests for information that could be used in abortion related prosecutions. We also ask Walmart to articulate strategies that might minimize such risks.

In states that have banned abortion, law enforcement has relied on consumer data to investigate and prosecute both individuals who have sought abortions and those who have helped them. This is expected to continue. Law enforcement can easily request access to digital reproductive health footprints that can lead to criminal or civil charges. In a well-known case, Meta, the parent company of Facebook, complied with a data request from a Nebraska Police Department to hand over private Facebook messages sent between a mother and a daughter. Both were then charged with felonies related to the alleged illegal termination of the daughter's pregnancy. This is just one example.

As the country's largest retailer, Walmart amasses large troves of consumer data, it has access to customers transactional data, demographic information, pharmacy purchases, and website browsing history. Given the sensitive nature of this data, Walmart will be especially vulnerable to law enforcement data requests related to abortion, but we don't know what, if any measures Walmart would take to protect the privacy of its customer's sensitive reproductive health data. We also don't know if Walmart sells or shares this information for profit to data brokers.

As investors, we don't want to see Walmart implicated in betrayals of consumers privacy. Implementing the requested report will assure investors that Walmart has thought through its data handling practices in light of current and future changes to both technology and the law. Failure to do so risks diminishing the company's brand reputation and consumer loyalty and eroding

shareholder value. If you have not yet casted your vote, I urge you to vote yes on item number 10. Thank you so much for your attention.

Rachel Brand: Thank you, Ms. Kalish. The board recommends the vote against this proposal for the reasons explained in the proxy statement. The next proposal appeared as number 11 in the proxy statement. It was submitted by the National Legal and Policy Center. Paul Chesser will present it on behalf of the shareholder proponent. Mr. Chesser prerecorded his presentation, which we will now play.

Paul Chesser: Walmart keeps it short in opposing our proposal, which asked the company to produce an annual report on the extent of the risks it faces by the large amount of business it does in communist China. The company claims they've got it covered, that there's nothing to see here, so shareholders can just move along. Walmart claims this by pointing out three measures that they've taken.

One, Walmart claims that shareholders are sufficiently informed about material risks in periodic reports to the SEC, but this is just laughable as there is zero detail about the extensive risk of doing business in China. Two, Walmart claims it addresses the risks we are asking about through its enterprise risk management program. This sounds like a perfectly bureaucratic process of questionable value, and it certainly is opaque for shareholders. Three, Walmart says it is, quote, committed to respecting human rights and has established robust due diligence processes to manage human rights risk, end quote.

In making this claim, the company points to its ESG brief on human rights and to its human rights statement on its website. But after reviewing these two statements, it's interesting that I found mentions about Walmart scrutiny of human rights in other countries, but not in China. For example, Walmart mentions in these statements how it focuses on supply chains for apparel in Bangladesh, produce in the US and Mexico, shrimp and tuna in Thailand, an electronics sourced for the US market. Walmart also notes concerns it has about migrant labor in Malaysia and its supply chains in central America and India, but when it comes to human rights, there's pretty much no mention of China.

Why is that? At a company like Walmart, whose reputation is in many ways known, oh, there is a few mentions of China on Walmart's website with regard to other issues. Those ESG issues would be climate change, biodiversity, protecting forest, and food-borne illness. Communist China has been credibly accused by the US State Department of censorship, political imprisonment, forced labor, torture, organ harvesting, genocide, threatening its neighbors, and many other

atrocities. None of these are worth a mention in any of Walmart's disclosures while other lesser offending countries are mentioned.

Walmart has big plans for growth in China with a country representing 13% of revenue growth compared to 7.3% for the rest of the company in the most recent quarter, and Walmart has said it plans to invest \$1.2 billion in logistics and distribution in China over the next 10 to 20 years. Needless to say, in light of what we do know about communist China and its tyrannical practices, Walmart's so-called disclosures are insufficient in light of its plans. Please vote for proposal number 11.

Rachel Brand: Thank you, Mr. Chesser. The board recommends a vote against this proposal for the reasons explained in the proxy statement. We'll now move on to the final shareholder proposal appearing in the proxy statement, which appeared as number 12. It was submitted by Cynthia Murray and a co-filer. Ms. Murray prerecorded her conversation, which we will now play.

Cynthia Murray: My name is Cynthia Murray, and I've worked at Walmart for over 22 years, and I am a co-founder of United for Respect. Every person deserves to be safe at work, and every employer has an obligation to implement reasonable safety measures to protect employees and customers from harm. This is especially true in public facing positions that come with obvious risk, exposure to illness, violence, physical harm and mental stress.

For a company like Walmart, owned by one of the richest families in the world, the failure to invest in employees' safety sends a clear message to associates. Our lives are not assets worth protecting. After what happened in Chesapeake, Virginia, I had enough. I was scared for myself and other associates and wanted to force Walmart to take action that hopefully will make stores safer. The shooter was a team lead. I think it's important to understand how that job puts people in extremely stressful situations.

Team leads have responsibilities that used to be for multiple people, and they are not salary managers. Walmart is a billion-dollar company. Did the company drop the ball during COVID? Workers were bringing in their own gloves and masks. Walmart wasn't providing them, but Walmart is unsafe in other ways too. Under-staffing is a big issue, and it forces us to do more work, oftentimes too quickly to be safe. What happened to Janikka Perry is an example of how Walmart treats employees. She died after collapsing on the bathroom floor of her store and was there for two hours before anyone helped her.

Walmart associates also suffer from a serious occupational hazard, gun violence. Just two months after the Chesapeake shooting, there was a separate attack this time at a store in Indiana. These are not isolated tragedies. Between January, 2020 and November, 2022, there was at least 363 gun incidents and 112 gun deaths at Walmart locations across the country. Walmart associates are still haunted by the horrific memory of the 2019 mass shooting, motivated by racism and hate that took the lives of 23 people at a store in El Paso, Texas. As a 22-year Walmart associate, I am personally invested in keeping myself and my fellow associates safe at work. I ask my fellow shareholders to vote yes for proposal 12.

Rachel Brand: Thank you, Ms. Murray. We do not agree with the facts that have been presented. The health and safety of our customers and associates is our greatest priority, and we remain focused on taking steps that help us continue to build a safe workplace and shopping experience for all. We do not believe the requested report would aid Walmart in upholding our commitments and encourage a vote against their proposal.

Lastly, as noted in the other matters section of our proxy statement, Mr. Jorgen Harmse has submitted a proposal under the advanced notice provision of Walmart's bylaws. This provision of our bylaws creates a process for a shareholder to present a proposal that was not published in the proxy statement. Mr. Harmsy has permitted three minutes to present his proposal at the meeting today. Shareholders should vote for or against proposal 13 in the ask a question box. All votes will be counted by the inspectors of election. With regard to this proposal, please refresh your browser as needed to vote. Mr. Harmse prerecorded his presentation, which we will now play.

Jurgen Harmsy: Thank you, Madam Secretary. My proposal is to prevent WALPAC from funding politicians who oppose democracy and the rule of law. Most of the examples in the proposal voted against certification of the 2020 election and against holding Trump to account for attacking the Capitol. I also put in a few state level leaders in voter suppression. The moral reasons are clear. Our system of government is still threatened by fascism and future insurrectionists are watching. The leader for whom the fraud was attempted is corrupt, cruel, and incompetent. No real patriot wants any of these individuals in government.

Do not tell me that this is political. Walmart has a political action committee. We can support neocons, social conservatives, progressives, corporatists, and everyone in between. We must not support those who want to abolish politics and overthrow the whole system. Doing so is bad for Walmart's image and if we're not supporting them, we should make it clear by passing my resolution. PR should not be the reason, but we'll take credit where we can. Sam Walton said that

we must be agents for our customers, and who are Walmart's customers? They are the very people whom extremists want to disenfranchise, whether by closing polling stations, by finding 11,780 votes or by killing the Vice President. Associates come from the same demographics.

So I have a challenge for the executive leadership team. Whenever you visit a store or club, look the workers in the eye and explain what you did today. Hang Mike Pence. Remember that if you are ever tempted to make a deal. However much you have done for Trump, however close you appear to be, you can become expendable at a moment's notice. There is no loyalty, and anyone who breaks an oath to the Constitution will also break promise to you. Conspirators who succeed in overthrowing the government don't have to respect your property or your contracts or your life. Business depends on the rule of law, and MAGA is against the rule of law.

The moral reasons and the business reasons are clear. You can go against the customer demographic and the associate demographic, against the constitution, against the stability on which business depends and against your own safety, or you can be in solidarity to defend the republic. Please vote for my proposal.

Rachel Brand: Thank you, Mr. Harmse. The proxy holders have informed the company that they will vote against this proposal. This concludes all of the matters to be presented for shareholder consideration at the meeting. It is now 11:07 AM and the polls are now closed. Based on the initial report from the inspectors of election, the preliminary voting results are as follows. Each director nominee has been elected by a majority of the votes cast. Each of the other company proposals has passed, and the shareholder proposals and the floor proposal have failed to receive a majority of the votes cast and therefore did not pass.

The preliminary voting results will be announced in a press release later today, and the official results will be disclosed in a filing with the SEC. The 2023 annual shareholders meeting is now formally adjourned. We will now pause briefly before moving into a Q&A session moderated by Kary Brunner, senior director of Investor Relations.

Kary Brunner: Good morning. I'm Kary Brunner, senior director of Investor Relations for Walmart. We will now take some time to respond to questions submitted through the virtual meeting platform. Senior leadership is here and we will answer as many questions as we can during this time. For questions that could not be answered due to time constraints, the company will provide responses on the investor relations section of our corporate website. Similar questions will be grouped together and responded to collectively. Okay. The first shareholder question is, when will we get the My Share program back?

Doug McMillon: This is Doug McMillon speaking. I believe the question is related to Walmart US and the cash incentive plan. We made a number of ingest adjustments; things are always changing as it relates to compensation. We've asked Kim Lupo, who's the senior Vice President of Total Rewards, which means she leads compensation and benefits, to respond to this question.

Kim Lupo: Thanks so much, Doug, and thanks so much for the question. At Walmart, our goal is to deliver competitive market attractive pay across all roles and markets. And we continuously examine the offerings that we provide to ensure they're aligned with that desire. And we have continuously been making investments in our US associates, particularly at our clubs, distribution centers, and stores with the average hourly rate now over \$17.50 an hour. I mentioned our investments in competitive pay. Again, we are always - we are as well looking to invest in our portfolio of benefits to invest in the financial, emotional and physical wellbeing of our associates. Thanks so much for the question.

Doug McMillon: Only thing I would add is that since 2015, we've increased our average hourly compensation by 54% and our starting wages by more than 90%, and we'll continue to look at things like My Share and see if it makes sense to add back to some of the roles to create the right incentives. We're designing a ladder of opportunity and from entry level roles all the way up to store managers and beyond. We want those sequential steps to make sense. So that's one of the things that's on our mind. I think Donna Morris, who leads our people team, wants to add a comment.

Donna Morris: Thanks, Doug. I think it's important to also underscore that that path of opportunity does not provide a ceiling for our associates. 75% of our store managers started in the front line and were encouraged by the continued internal growth and development of our associates.

Doug McMillon: Thank you for the question.

Kary Brunner: The next shareholder question is based on a recent incident at the Amite, Louisiana store where an armed criminal entered the store and the store had to be evacuated. The question is, why can't Walmart leadership provide better security measures than the current policy of avoid, deny and defend when employees are not allowed their personal firearms, and why is there not a much-needed armed security guard defending the premises?

Doug McMillon: This is Doug McMillon. As it relates to safety and security, that has always been a priority for us, and it's even more so today given how our environment's changing. It's really important to us, of course, that our associates and customers are safe. We use a variety of tactics to try and

create that environment in every one of our locations, and there's a variety of circumstances depending on the location. So we try to match what we are doing with the characteristics of that particular location, and we're constantly reviewing those. And in the case of this Louisiana location, we'll go back and have another look at it. I would add that we, along with other retailers, are hoping that communities with increasing crime rates will make adjustments and prioritize safety. We don't believe that the retail industry alone can solve this issue, so we're asking for broader support as it relates to this.

Kary Brunner: Another shareholder submitted a question. Walmart's policy state that the company does not tolerate the use of forced labor, including the use of involuntary prison labor, and that its suppliers must also prevent these practices as reported by human rights defenders and their families. Milwaukee Tool is using forced prison labor in China to produce its work gloves, which are sold by Walmart. We appreciate that these gloves are no longer available for sale on Walmart's website, but there has been no disclosure on Walmart's efforts to address and remediate these human rights abuses.

In fact, when the business and Human Rights resource center invited Walmart to respond publicly about these abuses in December of 2021, it did not respond. Can Walmart verify that it is ceased sales of all Milwaukee Tool gloves and provide information about how it's conducting human rights due diligence with this vendor to investigate the links to forced prison labor?

Doug McMillon: Human rights are obviously important to us, and for those that are interested, you can find our statement online. We want to make sure we have the right expectations of ourselves and the right policies, but also the right resources to follow up on those expectations. And I believe Kathleen McLaughlin, who's our chief sustainability officer and the president of our foundation and is very involved in in sourcing issues of this type would like to make an additional comment.

Kathleen McLaughlin: Yes, thank you. We looked into the allegations regarding the gloves in question, and we made a decision to de-list those from the marketplace as noted, so the gloves that were implicated in the allegations. Maybe I can say a couple words about our approach to human rights due diligence in your broader question. So as we describe in our human rights ESG brief, which I would invite people to take a look at, our human rights due diligence process reflects core elements of due diligence recognized by the UN guiding principles and requested in the proposal in that the company's approach involves, first of all, an assessment of potential impacts.

So we assess potential impacts of various means, including consulting subject matter experts in human rights, examining Walmart ethics and compliance and responsible sourcing allegations

and findings. We consult external data sources and reports, and we take a look at issues through our enterprise risk management process. That's really the first step for us as a company.

Then second, in terms of continuous improvement and adjusting our overall operational practices, sourcing practices and so on, we integrate and act on findings. So we use the findings from the assessments to create and enhance practices that embed respect for salient human rights issues in our business. So that includes updating our policies and our procedures to account for risks that we've discovered, training and communicating to relevant Walmart associates and suppliers and modifying practices to reduce potential impacts.

So, for example, as a result of recent findings, we've modified sourcing standards for products, engaged suppliers to address specific issues and improve practices. We've developed and disseminated materials and assist to build capacity with suppliers, and we've funded programs through business and philanthropy that really help train actors in supply chains, especially in higher risk supply chains. And I'd invite you to look at our disclosures for more examples.

Third aspect of our human rights due diligence is tracking, tracking the effectiveness of our responses. So we track our progress on salient human rights issues in a number of ways. First of all, reviewing the data from associate voice and engagement channels, context that come in through our ethics, hotlines and disclosure channels, Walmart Associate Diversity and Representation data, our pay equity analyzes results from our responsible sourcing program, and that would include detailed information from factory audits and case management processes, and of course also feedback from our direct engagement with human rights experts and organizations. So it's a very comprehensive approach across our business.

And then finally, fourth, in terms of human rights due diligence we do communicate how we've addressed the impacts. We transparently report our progress on salient human rights issues in various publications, which include our human capital issue brief, ESG issue brief, our equity inclusion issue brief, people in supply chains brief, ethics and compliance brief, safer, healthier products brief, and of course, our human rights brief, which again, I'd invite people to take a look at. So that's our overall approach. It's comprehensive.

Now, with respect to this specific question about supplier risk and assessments, as part of this broader due diligence program and acting on findings, we do have our responsible program, responsible sourcing program, which includes audits of facilities based on risk. And so, we'll take a look at the regions and territories of our supply chains. We'll look at channels, we'll look at prior audit results, and based on that, we make a determination of higher risk channels and supply



chains. Based on that, we ask our suppliers to conduct audits, and we work with 11 third party audit programs to conduct those audits. And we ask our suppliers to disclose their facilities to us and abide by the standards.

Last year, we had 14,000 such audits conducted that we assessed, and based on them, we rate them in terms of green, orange, red and we take action on what we find. So in the last year, of those 14,000 audits that were reviewed, 8.7% resulted in an orange rating. And our first instance is to work with folks to remediate. So out of all of those, 2% of the ones that we identified ended up in a second year having a finding. And in some cases, if we aren't able to remediate, we'll take action up to and including termination of the supplier.

We also bring cases based on tips that we get through our anonymous hotlines. For example, across our supplier base, we have a 24/7 global helpline in 29 languages, and we do bring in cases. Last year, we had 800 cases that we then investigate. And similar to the audit program, if we have findings that are substantiated, the penalties can result in termination of the supplier.

Doug McMillon: Kathleen, thank you. Ms. Bowden, thank you for the question.

Kary Brunner: Okay, the next shareholder question states, the company has engaged in public commentary on a wide range of topics, including, but not limited to minimum wage laws, abortion, social equity, and the regeneration of nature. Public polling indicates that the nation is severely politically and culturally divided and becoming increasingly so. In addition, polling indicates that a majority of Americans disapprove of corporations involving themselves in such matters. What are the direct shareholder benefits of such statements? Are there not risks of political backlash?

Doug McMillon: Thank you for the question, Ms. Boyer. Dan Bartlett, who leads corporate affairs, and I should probably both comment on this, but Dan, would you like to go first?

Dan Bartlett: Sure, Doug. It's been our experience, particularly over the last 20 years, that we maximize shareholder value for shareholders by serving all of our stakeholders, delivering value to our customers, creating economic opportunity for associates and suppliers, and strengthening local communities and enhancing the sustainability of our business and product supply chains.

So as we think about, as we engage on the issues in the public sphere, it's with that in mind and how we can advance the business interests of our stores, clubs, and distribution centers around the world, but also as we can advance the entrance of our communities and how we show up in

those communities and to reflect the values of both of our associates and our customers. So we take that responsibility seriously and do that with those, with that framework in mind.

Doug McMillon: Thanks, Dan. I think the only thing I would add is that we don't wake up in the morning wanting to go and make social or political statements. We're a retailer. We've been managing the incoming more than trying to initiate outgoing. We do think about the things that Dan mentioned with the ultimate goal being that we want everybody to feel comfortable shopping with us and choose Walmart, everybody, and we want everybody to feel comfortable and excited about working at Walmart.

So we have a very diverse workforce around the world, and we have a very diverse workforce here in the United States. We end up through the large base of customers and associates, having every view be represented in our company, and we respect that diversity and the things that we do say are responsive in nature, thinking about our own associates as well as those customers. Kathleen McLaughlin, did you want to make an additional comment?

Kathleen McLaughlin: No, I think you said it. We want to serve our stakeholders because that's the way we create value for our business.

Doug McMillon: Thank you. I appreciate the question and understand the significance of the issue.

Kary Brunner: Okay. Our next question is, how is the company using green energy or have a plan to boost the use of green energy to help increase their bottom line as well as taking advantage of the Inflation Reduction Act?

Doug McMillon: Kathleen, you're going to be busy this morning, it looks like. Would you mind responding to this one as well?

Kathleen McLaughlin: Yeah, sure thing. Green energy is an important part of our energy strategy. We've got goals to enhance energy security and affordability for our business and our customers, while helping the company achieve our science-based target for zero emissions in our operations by 2040. This year, we've reported a cumulative 23% reduction in our emissions relative to our 2015 baseline. So in terms of green energy and how it factors in, yeah, there's a few priorities.

So first of all, renewable energy, we're now at about 46% of our global electricity needs coming from renewable sources, and that's both from the grid and also our own contracts and projects that are about 28%. Onsite generation, we have over 600 projects around the world, 10 different

countries. We were ranked fourth overall and third in the nation in the US and onsite in the 2022 Solar Means Business report.

Another key strategy is PPAs, the US EPA basically cited us as being the top retail partner in terms of annual green power usage. And that was a report coming up that came out in January. Clean energy Investments, we have a number of these in different markets, for example, with Cypress Creek out in North Carolina community solar 70-megawatt solar project that's helping power 14,000 households in North Carolina. And we have been strong advocates for policy in different markets where again the outcomes are aligned with our business. IRA would be an example.

Transportation, that's another one. We are looking for ways to electrify and power our fleet. And we've started with yard trucks, last mile delivery. We've got, gosh, 1,100 electric vehicle, last mile delivery trucks ordered through Ford that we started to deploy. And we're testing a bunch of different technologies for zero emissions vehicles, so hydrogen fuel cells, batteries, et cetera. So different technologies to try to figure out what can we do over time for our big heavy class eight tractors.

EV charging, we were already one of the biggest providers of EV charging for customers in the United States with 1,300 stations across 280 locations. And you might have seen we recently announced a big expansion of that, we hope by 2030 to have thousands of EV charging opportunities at our stores and clubs across the US. And of course, energy efficiency, that's always been a great one to drop right to the bottom line. We've been at that for a long time converting to LED light bulbs and metering and things like that continues to be a really important strategy.

So, taken together, I think your core question is, does this create value for us? Absolutely. And that's the way we're coming at it. This is really about securing our own needs, helping out our customers and communities in a way that really does enhance the value of our business. So thanks for the question.

Doug McMillon: Thanks, Kathleen. And thank you, Mr. Bashin, for the question.

Kary Brunner: Okay. We have time for one more question, and that is from a shareholder that says, how is Walmart preparing for a possible recession later this year?

Doug McMillon: Thank you for the question, Ms. Coo. I'll respond too, but I think John David Rainey, our CFO, maybe you should go first.

John David Rainey: Sure. Happy too, Doug. As part of our normal planning process, we consider a range of possibilities in terms of the economic environment, and we want to make sure that we are addressing not only the need to maximize revenue and profits, but also looking at our balance sheet as well and making sure that we have access to capital at the lowest possible cost, which we did when we entered the markets earlier this year. But fundamentally, what we've seen over this period of more recent higher inflation is that consumer wallets are squeezed and that's affecting their consumer behavior in terms of what they're purchasing, what they're buying.

And so, our value proposition really stands or resonates more now than, than ever before. And what I'm referring to is helping customers save money and live better. And we do that by offering the everyday low prices to our customers, but also, as Doug noted in his prepared remarks, providing convenience at a level that we haven't done before, much more so now. And I think importantly, the latter convenience is important to our customer and member base in any economic environment.

And so, fundamentally, we'll make sure that our value proposition resonates when consumer wallets are pressured. The second thing I'd say around this is there's evermore need to be diligent around our cost structure. And as we've talked about on a couple of occasions earlier this year, we've made investments in our supply chain automation over the last couple years and will continue to do so in the future.

And what this does, which is very important in this economic environment, is this lowers our cost to serve. And in fact, if we fast forward five years and we look at the investments that we've contemplated, we expect that our cost to fulfil for our customers will reduce by about 20% from where it is today. And so, again, focusing on our value proposition for customers and making sure that we're providing that value proposition at the very lowest possible cost.

Doug McMillon: Our founder once said something to the effect of, there may be a recession coming, let's choose not to participate. And our mindset is something like that. As John David said, we want to offer a great value, and if families have more money, that's great for us. And if families are pressured, we want to be there for them. So we're trying to work hard right now as we have been for quite some time now with our suppliers to get our prices down, whether that's in food or in general merchandise, and we think the company's positioned to succeed.

Regardless of the environment, we can save people money, we can serve them through stores and clubs. We can serve them pickup and delivery. We can save them time in ways that we couldn't before. And so, we're offensive in nature, but try to be intelligent about the inventory choices we're making. We're merchants. There are some items that can just absolutely blow out and we should be aggressive on those. And in some other categories, we should be conservative. And that type of portfolio management is what our merchants do every day. So that's our focus.

Kary Brunner: That concludes our Q&A session. Thank you for your interest in Walmart, and have a good day. This concludes our meeting.